



OFFICE OF  
**INSPECTOR  
GENERAL**  
UNITED STATES POSTAL SERVICE

# HIGHLIGHTS

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December 20, 2012

## Federal Express Air Transportation Container Weights

Report Number NO-MA-13-002

### **BACKGROUND:**

Federal Express (FedEx) transports mail by air each year for the U.S. Postal Service using air containers that hold letter trays, flat tubs, sacks, and packages. In fiscal year 2011, about 1.2 billion pounds of mail were flown by FedEx during the day. Costs to fly this mail are based on contract minimum volume obligations, with compensation based on the total amount of cubic feet of the air containers transported.

The FedEx contract with the Postal Service also specifies the maximum gross weights allowed for each air container type. The maximum gross weight can impact the ability to utilize the full cubic footage available in the air containers. Our objective was to assess air container maximum allowable weights on FedEx during the day.

### **WHAT THE OIG FOUND:**

The FedEx contract restricts the Postal Service to air container weights that are less than what the containers can actually hold and less than what FedEx advertises to its other customers. While it may not always be feasible to fill containers to their maximum allowable weight, we found that, in some cases, the restrictions result in less than full containers being transported on FedEx. This happened because the Postal Service agreed to air container weights below maximum allowable weights of

the containers when negotiating and agreeing to the contract terms.

We were unable to assess the overall impact on transportation costs since historical data does not exist and collecting representative current data was not feasible. However, if the FedEx contract (including any renewals) incorporated higher air container maximum weights for the Postal Service, where feasible, they could significantly reduce contract transportation costs by using fewer heavier weight containers and paying for less of the unused cubic footage.

### **WHAT THE OIG RECOMMENDED:**

We recommended the vice president, Supply Management, to the extent feasible, increase the Postal Service's maximum allowable container weights when negotiating existing or future air transportation FedEx contracts with cubic-foot based compensation.

[\*Link to review the entire report\*](#)